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इस भाग में रिमन्न पृष्ठ संख्या वी जाती है जिससे इक यह अलग संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed
as a separate compilation.

LOK SABHA

The following Bill was introduced in Lok Sabha on the 6th April, 1973:—

BILL NO. 19 OF 1973

A Bill to amend the Textiles Committee Act, 1963.

Be it enacted by Parliament in the Twenty-fourth Year of the Republic of India as follows:—

1. (1) This Act may be called the Textiles Committee (Amendment) Act, 1973. Short title and commencement.
- (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.
- 41 of 1963. 2. In section 1 of the Textiles Committee Act, 1963 (hereinafter referred to as the principal Act), in sub-section (2), the words "except the State of Jammu and Kashmir" shall be omitted. Amendment of section 1.
3. In section 2 of the principal Act,—
 - (i) after clause (b), the following clause shall be inserted, namely:—

‘(ba) “fibre” means man-made fibre including regenerated cellulose rayon, nylon and the like;’
 - (ii) after clause (c), the following clause shall be inserted, namely:—

‘(ca) “handloom industries” has the meaning assigned to it in the Khadi and Other Handloom Industries Development (Additional Excise Duty on Cloth) Act, 1953;’

12 of 1953.

(iii) after clause (d), the following clauses shall be inserted, namely:—

- (da) "powerloom" means a loom which is worked by power as defined in clause (g) of section 2 of the Factories Act, 1948, 63 of 1948, and which is used or capable of being used only for weaving cloth wholly or partly out of cotton yarn or woollen yarn, or fibre, or any kind of mixed yarn;
- (db) "powerloom industry" means an industry in which a manufacturer of textiles has, at any time during the period fixed by the Committee under clause (a) of sub-section (5) of section 5A, not more than fifty powerlooms (without any spinning plants) in the factory or factories owned, controlled or managed by him.

Explanation.—For the purposes of this clause, the expression "factory" has the meaning assigned to it in the Factories Act, 1948;'

63 of 1948.

(iv) for clause (g), the following clause shall be substituted, namely:—

'(g) "textiles" means any fabric or cloth or yarn or garment or any other article made wholly or in part of—

- (i) cotton; or
- (ii) wool; or
- (iii) silk; or
- (iv) artificial silk or other fibre, and includes fibre;

Insertion
of new
section
2A.

4. After section 2 of the principal Act, the following section shall be inserted, namely:—

"2A. Any reference in this Act to any law which is not in force, or any functionary not in existence, in the State of Jammu and Kashmir, shall, in relation to that State, be construed as a reference to the corresponding law in force, or to the corresponding functionary in existence in that State.".

Construction of
references
to any
law not
in force,
or any
function-
ary not in
existence,
in the
State of
Jammu
and
Kashmir.

Amend-
ment of
section 4.

5. In sub-section (2) of section 4 of the principal Act,—

- (i) for clause (c), the following clause shall be substituted, namely:—
- (c) establish or adopt or recognise standard specifications for—
 - (i) textiles, and
 - (ii) packing materials used in the packing of textiles or textile machinery, for the purposes of export and for internal consumption and affix suitable marks on such standardised varieties of textiles and packing materials;";

(ii) after clause (d) the following clause shall be inserted, namely:—

“(da) provide for training in the techniques of quality control to be applied to textiles or textile machinery;”;

(iii) in clause (e), after sub-clause (ii), the following sub-clause shall be inserted, namely:—

“(iii) packing materials used in the packing of textiles or textile machinery;”.

6. After section 5 of the principal Act, the following sections shall be inserted, namely:—

Insertion
of new
sections
5A, 5B,
5C, 5D,
5E and
5F.

“5A. (1) There shall be levied and collected as a cess for the purposes of this Act, a duty of excise on all textiles and on all textile machinery manufactured in India at such rate, not exceeding one per cent. *ad valorem* as the Central Government may, by notification in the Official Gazette, fix:

Provided that no such cess shall be levied on textiles manufactured from out of handloom or powerloom industry.

Imposi-
tion of
cess on
textiles
and
textile
mach-
inery
manufac-
tured in
India.

(2) The duty of excise levied under sub-section (1) shall be in addition to any cess or duty leviable on textiles or textile machinery under any other law for the time being in force.

(3) The duty of excise levied under sub-section (1) shall be collected by the Committee, in accordance with the rules made in this behalf, from every manufacturer of textiles or textile machinery (hereafter in this section and in sections 5C and 5D referred to as the manufacturer).

(4) The manufacturer shall pay to the Committee the amount of the duty of excise levied under sub-section (1) within one month from the date on which he receives a notice of demand therefor from the Committee.

(5) For the purpose of enabling the Committee to assess the amount of the duty of excise levied under sub-section (1),—

(a) the Committee shall, by notification in the Gazette of India, fix the period in respect of which assessments shall be made; and

(b) every manufacturer shall furnish to the Committee a return, not later than fifteen days after the expiry of the period to which the return relates, specifying the total quantity of textiles or textile machinery manufactured by him during the said period and such other particulars as may be prescribed.

(6) If any manufacturer fails to furnish the return referred to in sub-section (5) within the time specified therein, or furnishes a return which the Committee has reason to believe is in-

correct or defective, the Committee may assess the amount of the duty of excise in such manner as may be prescribed.

(7) Any manufacturer aggrieved by an assessment made under this section may appeal to the Tribunal, constituted under section 5B for cancellation or modification of the assessment.

Constitution of Tribunal.

5B. The Central Government may, by notification in the Official Gazette, constitute a Tribunal consisting of one person, who is or has been, or is qualified for appointment as, a Judge of a High Court and who is not connected with the Committee, to exercise the powers and discharge the functions conferred or imposed on the Tribunal by or under this Act.

Hearing of appeals by Tribunal.

5C. (1) An appeal under sub-section (7) of section 5A may be preferred to the Tribunal within one month from the date on which the notice of demand regarding the assessment is served on the manufacturer:

Provided that the Tribunal may admit an appeal after the expiration of the period aforesaid, if it is satisfied that the appellant had sufficient cause for not preferring it within that period.

(2) Every appeal referred to in sub-section (1) shall be in the prescribed form and shall be verified in the prescribed manner and shall be accompanied with such fees as may be prescribed.

(3) The Tribunal shall fix a day and place for the hearing of the appeal and shall give notice of the same to the appellant and to the Committee.

(4) The Tribunal may, after giving the appellant and the Committee an opportunity of being heard, pass such orders thereon as it thinks fit:

Provided that no order enhancing the assessment shall be made unless the appellant has had a reasonable opportunity of showing cause against such enhancement.

(5) The Tribunal shall send a copy of any order passed under this section to the appellant and to the Committee and such order shall be final.

(6) In discharging the functions under this section, the Tribunal may, subject to any rules that may be made in this behalf, follow such procedure as it thinks fit.

(7) The Tribunal shall have all the powers of a civil court while trying a suit under the Code of Civil Procedure, 1908, in ^{5 of 1908.} respect of the following matters, namely:—

(a) summoning and enforcing the attendance of any person and examining him on oath;

(b) requiring the discovery and production of any documents;

(c) receiving evidence on affidavits;

(d) requisitioning any public record or copy thereof from any court or office;

(e) issuing commissions for the examination of witnesses and documents;

(f) any other matter which may be prescribed.

(8) The expenses of the Tribunal shall be borne by the Central Government.

5D. If any manufacturer fails to pay the duty of excise levied under section 5A, within the period specified in sub-section (4) of that section, or where an appeal has been preferred by him against an order of assessment under sub-section (7) of section 5A, within one month from the date of disposal of such appeal, the duty payable by him shall be recoverable as an arrear of land revenue.

5E. If the Central Government is of opinion that in the interests of trade or in the public interest it is necessary so to do, it may, by notification in the Official Gazette, exempt such variety of textiles or such textile machinery as may be specified in the notification from the whole or any part of the duty of excise leviable under section 5A.

5F. The proceeds of the duty of excise collected under section 5A, reduced by the cost of collection as determined by the Central Government, shall first be credited to the Consolidated Fund of India and the Central Government may, after due appropriation made by Parliament by law, pay to the Committee from out of such proceeds, such sums of money as it thinks fit for being utilised for the purposes of this Act.”.

7. In sub-section (1) of section 7 of the principal Act, after clause (a) the following clause shall be inserted, namely:—

“(aa) the proceeds of the duty of excise made over to the Committee by the Central Government under section 5F;”.

8. In section 8 of the principal Act, for sub-sections (2) and (3), the following sub-section shall be substituted, namely:—

“(2) A Standing Committee or an *ad hoc* Committee constituted under sub-section (1) may include persons who are not members of the Committee, but their number shall not exceed one-half of its strength.”.

9. In sub-section (1) of section 12 of the principal Act,—

(i) clause (b) shall be omitted, and clause (c) shall be re-lettered as clause (b);

(ii) In clause (b) as so re-lettered,—

(a) for the word “other”, the word “special” shall be substituted;
(b) after the words “the manufacturers”, the words “or exporters” shall be inserted;

(iii) after clause (b) as so re-lettered, the following proviso shall be inserted, namely:—

“Provided that no fees shall be levied in respect of inspection and examination of textiles on which a duty of excise is leviable under this Act.”;

(iv) in the existing proviso, for the words “Provided that”, the words “Provided further that” shall be substituted.

Amend-
ment of
section 22

10. In section 22 of the principal Act,—

(a) in sub-section (2),—

(i) after clause (d), the following clauses shall be inserted, namely:—

“(da) the manner in which the duty of excise leviable under section 5A may be assessed, paid or collected, and the manner in which any refund of such duty paid or collected in excess of the amount due may be made;

(db) the conditions of service of the person constituting the Tribunal under section 5B;

(dc) the form and the manner in which an appeal to the Tribunal constituted under section 5B may be preferred and verified, the fees payable on such appeals and the procedure to be followed by the Tribunal in disposing of such appeals;”;

(ii) in clause (e), the words “for inspection and examination” shall be omitted;

(iii) after clause (i), the following clause shall be inserted, namely:—

“(j) any other matter which has to be, or may be, prescribed.”;

(b) for sub-section (3), the following sub-section shall be substituted, namely:—

“(3) Every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall, thereafter, have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.”.

STATEMENT OF OBJECTS AND REASONS

The Textiles Committee has been set up under the Textiles Committee Act, 1963 for securing standard qualities of textiles for internal as well as external marketing and manufacture and use of standard type of textile machinery. The Committee has so far concentrated its attention and efforts on ensuring standard qualities of textiles for export by undertaking pre-shipment inspection. Since December, 1966, export of cotton textiles has been banned without pre-shipment inspection certificate of the Committee. Even in respect of woollen and art-silk textiles such inspection is undertaken by the Committee to enable the exporters to claim replenishment entitlements under the Registered Exporters' policy. For all these services the Committee is authorised under section 12 of the Act to levy such fees as may be prescribed by rules for the inspection and examination of textiles and textile machinery and for any other service which the Committee may render to the manufacturers of textiles and textile machinery.

2. The various activities undertaken by the Textiles Committee for the development of the textile industry and promotion of textile exports have been expanded considerably and it has been found necessary that the finances of the Textiles Committee are put on a sound footing. Moreover, if the textile industry is to develop on sound and proper lines and production and export of textiles are to be substantially increased, the expenditure of the Textiles Committee has necessarily to be on a larger scale than at present, in order to be commensurate with the desired results. It has, therefore, become necessary to take steps to augment the resources of the Textiles Committee. Accordingly, it is proposed to provide for the levy of a cess as a duty of excise on all textiles (other than those manufactured by handloom and powerloom industries) and textile machinery at such rate, not exceeding one per cent *ad valorem*, as the Central Government may fix from time to time. It is also proposed to retain in the Act the provision for the levy of fees for inspection and examination of textiles on which no duty of excise is leviable and for certain special services rendered by the Committee.

3. Opportunity is being taken to extend the Act to the State of Jammu and Kashmir and also to make certain amendments in the Act, which were found necessary in its actual working.

4. The Bill seeks to achieve the above objects.

D. P. CHATTOPADHYAYA.

NEW DELHI:

The 22nd February, 1973.

FINANCIAL MEMORANDUM

Clause 5 of the Bill seeks to insert a new clause (da) in sub-section (2) of section 4 of the principal Act which empowers the Textiles Committee to provide for training in the techniques of quality control which will be applied to textiles or textile machinery. The Textiles Committee may formulate schemes for imparting training in the techniques of quality control to its own staff as well as to personnel working in the textiles and textile machinery industry. While training to the persons already working in the Textiles Committee will be free of cost, some fees may be charged from outsiders. The Textiles Committee will have to incur additional expenditure to the extent the expenses incurred fall short of collections by way of fees. The income and expenditure in respect of the training schemes will depend upon many variable factors, such as the number of personnel to be trained, the period of training and amount of fees to be charged, etc., and as such it is not possible to state with any exactitude the amount of additional expenses involved. However, it is estimated that the additional expenditure in setting up a modest Training Wing will come to Rs. 1,00,000 per annum by way of recurring expenditure including pay and allowances of the staff and about Rs. 30,000 as non-recurring expenditure for providing the necessary equipment.

2. Clause 6 of the Bill seeks to insert new sections 5A to 5F in the principal Act, which mainly provide for the levy and collection of a duty of excise on all textiles and on all textile machinery manufactured in India. Under sub-section (3) of the new section 5A, the duty of excise will be collected by the Textiles Committee. The staff already engaged by the Textiles Committee for the collection of fees which are now being imposed by that Committee, will be utilised for collecting the proposed duty of excise also. No additional staff will, therefore, be employed for the purpose of collection of the duty of excise.

3. The proposed new section 5B empowers the Central Government to constitute a Tribunal consisting of one person who is or has been, or is qualified for appointment as, a Judge of a High Court to hear appeals from the manufacturer of textiles or textile machinery, who is aggrieved by an assessment of the duty of excise. Some staff will also be employed to assist the Tribunal to discharge its functions. It is estimated that this would involve an expenditure of about Rs. 84,000 per annum as recurring expenditure and about Rs. 25,000 as non-recurring expenditure.

4. The proposed new section 5F provides that the proceeds of the duty of excise collected under the new section 5A shall first be credited to the Consolidated Fund of India and the Central Government may, after due appropriation made by Parliament by law, pay to the Textiles Committee such sum of money as it thinks fit for being utilised for the purposes of the principal Act.

5. It is estimated that a total recurring expenditure of Rs. 1,84,000 per annum and a non-recurring expenditure of Rs. 55,000 will be involved, if the Bill is passed and brought into operation.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Section 22 of the principal Act confers on the Central Government power to make rules to carry out the purposes of the Act and spells out specific matters with reference to which the rules may be so made. Clause 10 of the Bill proposes to insert four new clauses in section 22(2) of the principal Act, containing matters with reference to which also the Central Government may make rules. These matters relate *inter alia* to the manner in which the duty of excise, proposed to be levied under the principal Act, may be assessed, paid or collected, the conditions of service of the person appointed as member of the Tribunal and the procedure to be followed by such Tribunal.

2. The matters in respect of which the Central Government is now empowered to make rules, pertain to matters of procedure or detail. The delegation of legislative power is thus of a normal character.

S. L. SHAKDHER,
Secretary.

